

Jonathan L. Flaxer, Esq. (JF 7096)
GOLENBOCK, EISEMAN, ASSOR & BELL
Attorneys for Debtors and Debtors-in-Possession
437 Madison Avenue
New York, New York 10022
(212) 907-7300

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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:
In re: : Chapter 11
: Case Nos. 00 B 41065 (SMB)
RANDALL'S ISLAND FAMILY GOLF CENTERS, : through 00 B 41196 (SMB)
INC., et al., :
: (Jointly Administered)
Debtors. :
:
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**STIPULATION AND ORDER GRANTING LIMITED
RELIEF FROM THE AUTOMATIC STAY TO ALLOW
MARINO S. PAPALAS TO PURSUE LITIGATION**

WHEREAS, on May 4, 2000 (the "Filing Date"), each of the above-captioned debtors and debtors-in-possession (collectively, the "Debtors") filed with this Court a voluntary petition for relief under chapter 11 of the Bankruptcy Code. By order of this Court dated as of the Filing Date, the Debtors' chapter 11 cases are being jointly administered. Pursuant to sections 1107 and 1108 of the Bankruptcy Code, the Debtors are continuing to operate their businesses and manage their properties as debtors-in-possession;

WHEREAS, Marino S. Papalas, (the "Claimants") commenced an action against two of the Debtors, Virginia Beach Family Golf Centers, Inc. ("Virginia Beach Golf") and Family Golf Centers, Inc. ("Family Golf") in the State of Virginia, in the Circuit Court for the City of Virginia Beach, styled Marino S. Papalas v. Virginia Beach Family Golf Centers Inc.,

and Family Golf Centers, Inc., and bearing case number CL01-26 (the “State Court Action”), arising out of an alleged personal injury to the Claimant (the “Claim”);

WHEREAS, the liability of Virginia Beach Golf and Family Golf, if any, to the Claimant with respect to the Claim is covered by the Debtor’s applicable general liability insurance policies (the Policies”); and the Policies may be subject to a deductible payable by the Debtors;

WHEREAS, as a result of the commencement of the Debtors' cases, and as of the Filing Date, the continuation of the State Court Action was stayed by operation of section 362(a) of the Bankruptcy Code (the "Automatic Stay");

WHEREAS, the claimant has moved for a limited modification of the Automatic Stay;

WHEREAS, the Claimant seek, and Virginia Beach Golf and Family Golf are willing to consent to, a limited modification of the Automatic Stay on the terms and subject to the conditions set forth herein, so as to allow the Claimant to continue to prosecute the State Court Action to judgment (or other resolution) and to allow the Claimant to collect any judgment obtained therein (or the settlement proceeds thereof, if any) solely from the Policies;

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED, by and between Virginia Beach Golf, Family Golf and Claimant, through their undersigned counsel, as follows:

1. Upon the approval of the Stipulation by the Bankruptcy Court, the Automatic Stay shall be modified to allow the Claimant to (a) prosecute to judgment the State Court Action with respect to the Claim, and any subsequent appeals or writs of review taken

by any of the parties thereto, solely for the purpose of determining the liability of, and damages against, Virginia Beach Golf and Family Golf , if any, with respect to the Claim (or to settle the Claim); and (b) collect any such judgment (or settlement proceeds) solely from the proceeds of the Policies to the full extent of the judgment (or settlement) and only as may be available under the Policies.

2. The Claimant hereby waives, relinquishes and discharges any claim not covered by liability insurance that the Claimant ever had, now has, or hereafter can, shall, or may have against any of the Debtors or any of their affiliates, including, but not limited to, Virginia Beach Golf and Family Golf and the assets or properties of their respective estates (including, without limitation, with respect to the deductible under the Policies, to the extent it is applicable, and any deficiency that may arise by virtue of a judgment obtained in excess of the limits of coverage in, or available under the Policies), without prejudice to the Claimant's recovery, if any, under the Policies. The Claimant's sole recovery, if any, shall be from the Policies. Claimants shall not recover from the assets or properties of any of the Debtors and their estates, and the State Court Action shall not result in any cost to the Debtors or their estates.

3. Except to the extent expressly set forth in paragraphs 1 and 2 above, the provisions of section 362 of the Bankruptcy Code, including without limitation, those provisions prohibiting execution, enforcement, or collection of any judgment that may be obtained against the Debtors from and against any assets or properties of the Debtors' estates (as defined in section 541 of the Bankruptcy Code), shall remain in full force and effect. Neither the Claimant nor any of his agents, attorneys, or representatives shall take any action

or attempt to cause any action to be taken to collect all or any portion of any such judgment (or settlement proceeds) from the assets or properties of the Debtors' estates, without prejudice to the Claimant's recovery, if any, from the Policies by way of compromise and settlement or otherwise.

4. The Claimant expressly recognize the burdens placed on the Debtors as a result of the chapter 11 filing, and agree to cooperate with Virginia Beach Golf and Family Golf with respect to the scheduling of any requests or demands for discovery, depositions, testimony or production of documents or the like, from any of the Debtors, their workers or their agents.

5. Nothing contained herein shall constitute or operate as a general waiver or modification of the Automatic Stay that would permit the prosecution against the Debtors of any claims or actions by any person or entity other than the Claimant with respect to the State Court Action.

6. The attorney for the Claimant represents and warrants that the Claimant has full knowledge of, and have consented to, this Stipulation and that the attorney has full authority to execute this Stipulation on behalf of the Claimant.

7. This Stipulation is subject to the approval of the Bankruptcy Court and shall be of no force and effect unless and until an order approving the Stipulation has been entered. If this Stipulation is not approved by the Bankruptcy Court, it shall be null and void and shall not be referred to or used, for any purpose, by any of the parties hereto or any parties to the State Court Action.

8. The Bankruptcy Court shall retain jurisdiction to resolve any disputes

between the parties arising with respect to this Stipulation.

9. This Stipulation may not be amended or modified except by further Order of this Court.

Dated: New York, New York
March 30, 2001

GOLENBOCK, EISEMAN, ASSOR & BELL
Attorneys for Debtors and
Debtors-in-Possession
437 Madison Avenue
New York, New York 10022
(212) 907-7300

By /s/ Jonathan L. Flaxer
Jonathan L. Flaxer (JF 7096)
A Member of the Firm

SHUTTLEWORTH, RULOFF, GIORDANO
& SWAIN, P.C.
Attorneys for Claimant
4525 South Boulevard, Suite 300
Virginia Beach, Virginia 23452
(757) 671-6000

By /s/ Thomas B. Shuttleworth
Thomas B. Shuttleworth (13330)

SO ORDERED

this ____ day of _____, 2001

UNITED STATES BANKRUPTCY JUDGE